

payments during any calendar year from any individual for coverage of such individual or any other individual under qualified health insurance (as defined in section 6429(d)), and

“(2) who claims a reimbursement for an advance credit amount,

shall, at such time as the Secretary may prescribe, make the return described in subsection (b) with respect to each individual from whom such payments were received or for whom such a reimbursement is claimed.

“(b) FORM AND MANNER OF RETURNS.—A return is described in this subsection if such return—

“(1) is in such form as the Secretary may prescribe, and

“(2) contains—

“(A) the name, address, and TIN of each individual referred to in subsection (a),

“(B) the aggregate of the advance credit amounts provided to such individual and for which reimbursement is claimed,

“(C) the number of months for which such advance credit amounts are so provided, and

“(D) such other information as the Secretary may prescribe.

“(c) STATEMENTS TO BE FURNISHED TO INDIVIDUALS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—Every person required to make a return under subsection (a) shall furnish to each individual whose name is required to be set forth in such return a written statement showing—

“(1) the name and address of the person required to make such return and the phone number of the information contact for such person, and

“(2) the information required to be shown on the return with respect to such individual.

The written statement required under the preceding sentence shall be furnished on or before January 31 of the year following the calendar year for which the return under subsection (a) is required to be made.

“(d) ADVANCE CREDIT AMOUNT.—For purposes of this section, the term ‘advance credit amount’ means an amount for which the person can claim a reimbursement pursuant to a program established by the Secretary under section 7527.”

(2) ASSESSABLE PENALTIES.—

(A) Subparagraph (B) of section 6724(d)(1) (relating to definitions) is amended by redesignating clauses (xi) through (xvii) as clauses (xii) through (xviii), respectively, and by inserting after clause (x) the following new clause:

“(xi) section 6050T (relating to returns relating to displaced worker health insurance credit).”

(B) Paragraph (2) of section 6724(d) is amended by striking “or” at the end of subparagraph (Z), by striking the period at the end of subparagraph (AA) and inserting “, or”, and by adding after subparagraph (AA) the following new subparagraph:

“(BB) section 6050T (relating to returns relating to displaced worker health insurance credit).”

(3) CLERICAL AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by inserting after the item relating to section 6050S the following new item:

“Sec. 6050T. Returns relating to displaced worker health insurance credit.”

(d) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period “, or from section 6429 of such Code”.

(2) The table of sections for subchapter B of chapter 65 is amended by adding at the end the following new item:

“Sec. 6429. Displaced worker health insurance credit.”

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

#### **SEC. 702. ADVANCE PAYMENT OF DISPLACED WORKER HEALTH INSURANCE CREDIT.**

(a) IN GENERAL.—Chapter 77 (relating to miscellaneous provisions) is amended by adding at the end the following new section:

#### **“SEC. 7527. ADVANCE PAYMENT OF DISPLACED WORKER HEALTH INSURANCE CREDIT.**

“(a) GENERAL RULE.—The Secretary shall establish a program for making payments on behalf of eligible individuals to providers of health insurance for such individuals.

“(b) ELIGIBLE INDIVIDUAL.—For purposes of this section, the term ‘eligible individual’ means any individual for whom a qualified health insurance credit eligibility certificate is in effect.

“(c) QUALIFIED HEALTH INSURANCE CREDIT ELIGIBILITY CERTIFICATE.—For purposes of this section, a qualified health insurance credit eligibility certificate is a statement certified by a State agency (or by any other entity designated by the Secretary) which—

“(1) certifies that the individual was unemployed (within the meaning of section 6429) as of the first day of any month, and

“(2) provides such other information as the Secretary may require for purposes of this section.”

(b) CLERICAL AMENDMENT.—The table of sections for chapter 77 is amended by adding at the end the following new item:

“Sec. 7527. Advance payment of displaced worker health insurance credit.”

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

### **TITLE VIII—EMPLOYMENT AND TRAINING ASSISTANCE AND TEMPORARY HEALTH CARE COVERAGE ASSISTANCE**

#### **SEC. 801. EMPLOYMENT AND TRAINING ASSISTANCE AND TEMPORARY HEALTH CARE COVERAGE ASSISTANCE.**

(a) IN GENERAL.—Section 173(a) of the Workforce Investment Act of 1998 (29 U.S.C. 2918(a)) is amended—

(1) in paragraph (2), by striking “and” at the end;

(2) in paragraph (3), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:

“(4) to the Governor of any State or outlying area who applies for assistance under subsection (f) to provide employment and training assistance and temporary health care coverage assistance to workers affected by major economic dislocations, such as plant closures, mass layoffs, or multiple layoffs, including those dislocations caused by the terrorist attacks of September 11, 2001.”.

(b) REQUIREMENTS.—Section 173 of the Workforce Investment Act of 1998 (29 U.S.C. 2918) is amended by adding at the end the following:

“(f) ADDITIONAL RELIEF FOR MAJOR ECONOMIC DISLOCATIONS.—

“(1) GRANT RECIPIENT ELIGIBILITY.—

“(A) IN GENERAL.—To be eligible to receive a grant under subsection (a)(4), a Governor shall submit an application, for assistance described in subparagraph (B), to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

“(B) TYPES OF ASSISTANCE.—

“(i) IN GENERAL.—Assistance described in this subparagraph is—

“(I) employment and training assistance, including employment and training activities described in section 134; and

“(II) temporary health care coverage assistance described in paragraph (4).

“(ii) MINIMUM ALLOCATION TO TEMPORARY HEALTH CARE COVERAGE ASSISTANCE.—Not less than 30 percent of the cost of assistance requested in any application submitted under this subsection shall consist of the cost for temporary health care coverage assistance described in paragraph (4).

“(iii) ENCOURAGEMENT OF CERTAIN TYPES OF HEALTH CARE COVERAGE.—In publishing requirements for applications under this subsection, the Secretary shall encourage the use of private health coverage alternatives.

“(C) MINIMUM AWARD REQUIREMENT FOR ELIGIBLE STATES AND OUTLYING AREAS.—

“(i) REQUIREMENTS.—In any case in which the requirements of this section are met in connection with one or more applications of the Governor of any State or outlying area for assistance described in subparagraph (B), the Governor—

“(I) shall be awarded at least 1 grant under subsection (a)(4) pursuant to such applications, and

“(II) except as provided in clause (ii), shall be awarded not less than \$5,000,000 in total grants awarded under (a)(4).

“(ii) EXCEPTION TO MINIMUM GRANT REQUIREMENTS.—The Secretary may award to a Governor a total amount less than the minimum total amount specified in clause (i)(II), as appropriate, if the Governor—

“(I) requests less than such minimum total amount, or

“(II) fails to demonstrate to the Secretary that there are a sufficient number of eligible recipients to justify the awarding of grants in such minimum total amount.

“(2) STATE ADMINISTRATION.—The Governor may designate one or more local workforce investment boards or other entities with the capability to respond to the circumstances relating to the particular closure, layoff, or other dislocation to administer the grant under subsection (a)(4).

“(3) PARTICIPANT ELIGIBILITY.—An individual shall be eligible to receive assistance described in paragraph (1)(B) under a grant awarded under subsection (a)(4) if such individual is a dislocated worker and the Governor has certified that a major economic dislocation, such as a plant closure, mass layoff, or multiple layoff, including a dislocation caused by the terrorist attacks of September 11, 2001, contributed importantly to the dislocation.

“(4) TEMPORARY HEALTH CARE COVERAGE ASSISTANCE.—

“(A) IN GENERAL.—Temporary health care coverage assistance described in this paragraph consists of health care coverage premium assistance provided to qualified individuals under this paragraph with respect to premiums for coverage for themselves, for their spouses, for their dependents, or for any combination thereof, other than premiums for excluded health insurance coverage.

“(B) QUALIFIED INDIVIDUALS.—For purposes of this paragraph—

“(i) IN GENERAL.—Subject to clause (ii), a qualified individual is an individual who—

“(I) is a dislocated worker referred to in paragraph (3) with respect to whom the Governor has made the certification regarding the dislocation as required under such paragraph, and

“(II) is receiving or has received employment and training assistance as described in paragraph (1)(B)(i)(I).

“(ii) LIMITATION.—An individual shall not be treated as a qualified individual if—

“(I) such individual is eligible for coverage under the program under title XIX of the Social Security Act applicable in the State or outlying area, or